

HOW TO SET UP AFTER-TAX DEDUCTIONS

Question

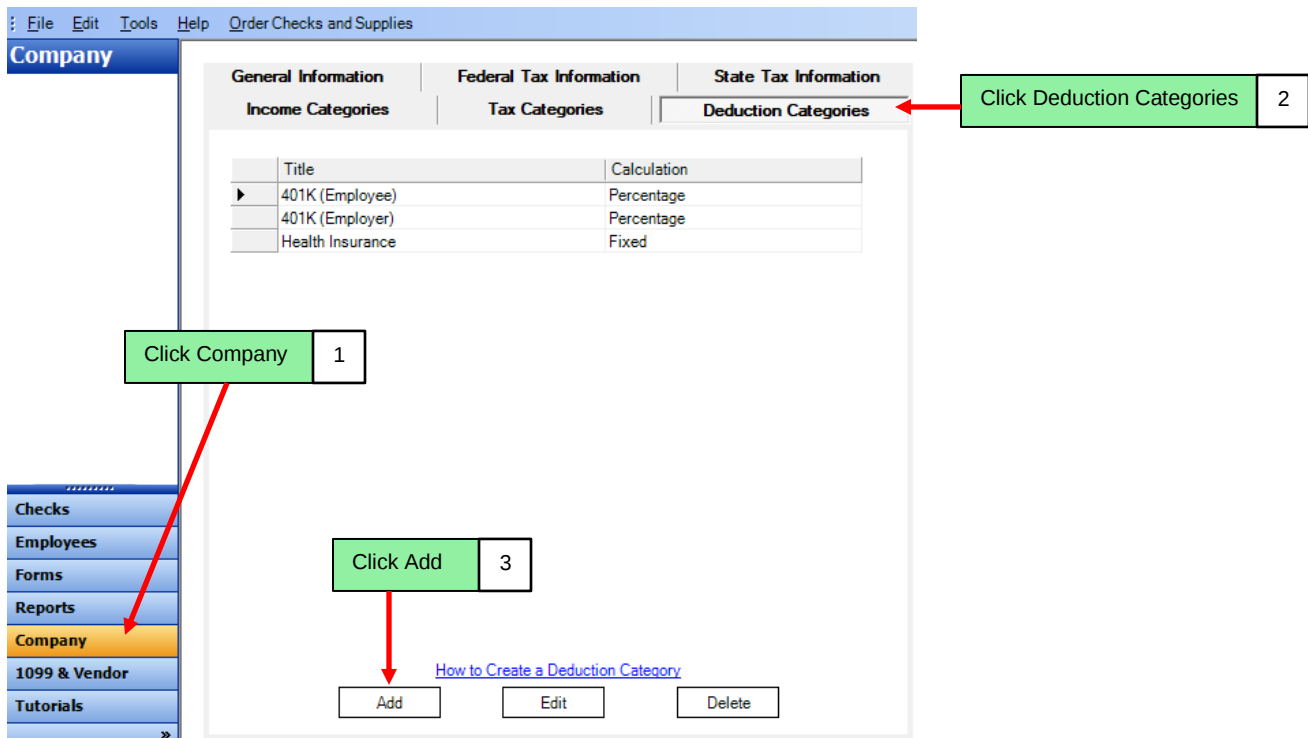
PLEASE REFER TO THE STEPS BELOW:

Answer

In order to set up after tax deductions you will have to create your deduction. While creating the deduction you will have to determine what taxes the deduction is exempt from.

Make sure you are in the correct company.

1. Click **Company**
2. Click **Deduction Categories**
3. Click **Add**



Click Company 1

Click Deduction Categories 2

Click Add 3

[How to Create a Deduction Category](#)

Add Edit Delete

4. Warning message about adding a custom new deduction will appear. Read the message carefully, then click **I understand**.

Attention [X]

 You are about to custom add a new deduction category.

Please remember that this newly created category will directly affect your tax forms and reports.

You may need to seek tax advice from your tax professional before creating this new category.

Once you have finished creating this deduction category and before you start creating real checks, we strongly recommend that you create one or more dummy checks and confirm that all related incomes, taxes and deductions are properly reflected on all tax forms and reports.

Once you start creating actual payroll checks it will be very difficult to fix any errors you may have overlooked at this point.

Click I understand 4

I understand

5. Enter your **Deduction Details**
6. Click **OK**

Enter Deduction Details 4

Deduction Details [X]

Title: Calculation: Percentage

Abbreviation: Paid by: Employee

Default Quarterly Rates: Cutoff: Leave Blank for No Cutoff

☐ Inactive

W-2 Options

☐ Use on Box 10 (Dependent Care Benefits)

☐ Use on Box 12

☐ Use on Box 14 (Other)

Pre-tax payroll deductions are deductions that lower your employee's taxable wages.

When you check any of the taxes in the list below you are lowering the taxable wages for that tax by the amount of the deduction you are creating here.

Exemptions ▼

OK Cancel

Click OK 6

Enter the Title for your deduction.

You can create a special abbreviation if you need one. Payroll Mate will auto create an abbreviation from the Title if you don't need your own abbreviation.

Select the calculation method

Select who the deduction is Paid by, the Employee or Employer.

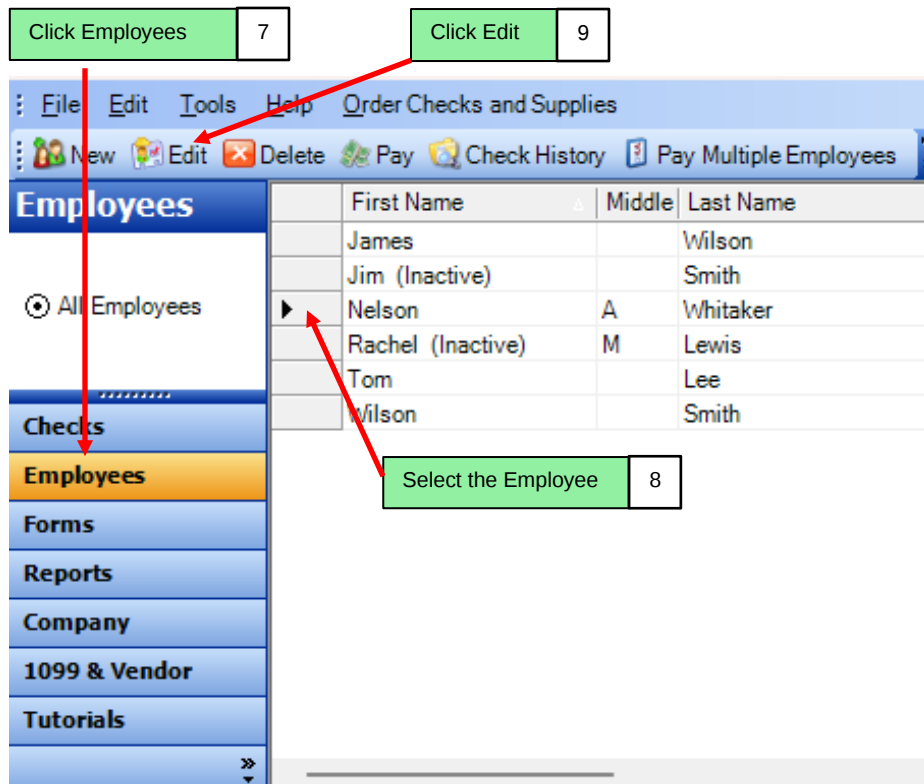
Enter the Cutoff amount, if applicable

Place a checkmark in one of the W-2 Options, if applicable

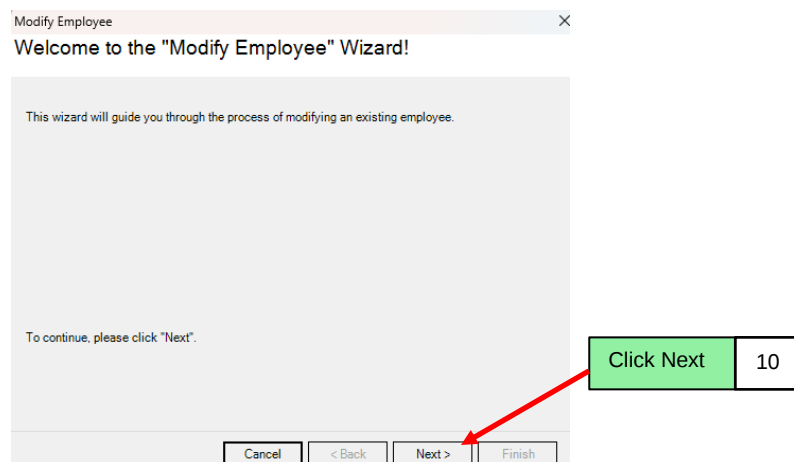
Select the Exemptions drop-down to place a checkmark on any applicable exemptions, if applicable

You will now apply the deduction to the employee(s)

7. Click **Employees**
8. **Select the Employee** to apply the deduction
9. Click **Edit**



10. Welcome to the Modify Employee Wizard will appear, click **Next** until you reach the Deductions screen.



11. **Select the deduction** for that employee. (Test Deduction is example)
12. Click **Next**, continue to click Next until you reach the Finish screen

Modify Employee
✕

Deductions

[How to Create a Deduction Category](#)

☒ 401K (Employee)	[Percentage]	2.000000
☒ 401K (Employer)	[Percentage]	1.000000
☒ Health Insurance	[Fixed]	350.000000
☐ Child Support	[Percentage]	20.000000
☐ Test Deduction	[Percentage of Net Pay]	0.200000
☐ Supplemental Life Ins	[Fixed]	25.000000

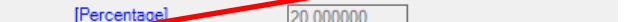
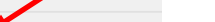
Cancel
< Back
Next >
Finish

Select the deduction

11

Click Next

12

13. Click **Finish**

Modify Employee
✕

Finish

Wizard completed, please click "Finish" to update this employee information.

Cancel
< Back
Next >
Finish

Click Finish

13

